

CRS Report for Congress

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Emergency Funding for Agriculture: A Brief History of Congressional Action, FY1989 -FY2000

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Summary

From FY1989 through FY2000 (to date), sixteen appropriations or farm disaster acts have provided \$27 billion in emergency funding for U.S. Department of Agriculture (USDA) programs. Nearly \$15.9 billion, or about 60% of the total amount, was provided in FY1999 and FY2000 alone. Since FY1989, the vast majority of the funds has been disbursed directly to farmers, primarily in the form of disaster payments (\$14 billion) for any farmer suffering a significant crop loss caused by a natural disaster, and “market loss” payments (\$9.6 billion) to help growers of specific farm commodities recover from low farm commodity prices. The remaining \$3.4 billion has funded a wide array of other USDA programs, including other forms of farm disaster assistance, farm loans, and overseas food aid. This report will be updated to reflect any future enacted spending measures.

Major Emergency Supplemental Appropriations Acts and Farm Disaster Acts Providing USDA Assistance, 1988-99

Act	Major Agricultural Provisions
Disaster Assistance Act of 1988 (P.L. 100-387, August 11, 1988)	Authorized USDA’s Commodity Credit Corporation (CCC) to use its authority to borrow from the U.S. Treasury, in order to provide direct disaster payments to farmers for 1988 crop losses using payment formula in this statute. Permanently authorized livestock feed assistance programs. No specific appropriation made, nor limitations placed on payment formulas in the act. CCC outlays in FY1989 were \$3.386 billion for direct disaster payments under this act.

Act	Major Agricultural Provisions
Disaster Assistance Act of 1989 (P.L. 101-82, August 14, 1989)	<p>Authorized the CCC to provide disaster payments to farmers for 1989 crop losses. Payments were not direct cash payments, but instead were made in the form of certificates redeemable for Government-owned grain. No specific appropriation, nor limitation placed on formula payment.</p> <p>The CCC ultimately provided \$1.48 billion in commodity certificates under this act.</p>
Dire Emergency Supplemental Appropriations for Natural Disasters and Incremental Costs of Operation Desert Shield/Desert Storm, (P.L. 102-229, December 12, 1991)	<p>Authorized the CCC to make \$1.75 billion in direct disaster payments using a payment formula authorized by the 1990 farm bill (P.L. 101-624). Of this total amount, \$995 million was available for 1990 or 1991 crop losses. The remaining \$755 million was made available for 1990, 1991 or 1992 crop losses, pending a request as an emergency designation by the Administration, which was later granted. \$100 million of the total was reserved for program crops planted in 1991 for harvest in 1992.</p>
Dire Emergency Supplemental Appropriations Act, 1992; Hurricane Andrew, Typhoon Omar, Hurricane Iniki, etc., (P.L. 102-368, September 23, 1992)	<p>Provided \$382 million in farm disaster payments immediately to supplement the \$755 million made available by P.L. 102-229 (see above). Authorized an additional \$100 million for disaster payments, pending a separate budget request by the President (later granted in 1993).</p> <p>P.L. 102-368 also provided \$169 million in other USDA-administered disaster assistance including:</p> <ul style="list-style-type: none"> ● \$48 million for the Tree Assistance Program (cost-sharing program to replant tree stands destroyed by a disaster); ● \$50 million for emergency watershed programs (repair damages to waterways and watersheds near farmland); ● \$27.5 million for the Emergency Conservation program (rehabilitation of farmland following a disaster); ● \$43.285 million in loan subsidy for USDA to make \$162.5 million in additional emergency disaster loans.
Supplemental Appropriations Act of 1993 (P.L. 103-50, July 2, 1993)	<p>No new disaster payment funding. The Act allowed USDA to apply the unexpended authority for disaster payments (approximately \$300 million) in P.L. 102-229 and P.L. 102-368 to make disaster payments for reductions in crop quality caused by any natural disaster affecting a 1990 through 1993 crop. Also allowed these unexpended funds to be used for any future crop losses (1993 through 1995) associated with Hurricane Andrew (1992).</p>

Act	Major Agricultural Provisions
Emergency Supplemental Appropriations for Relief From the Major, Widespread Flooding in the Midwest Act of 1993 (P.L. 103-75, August 12, 1993)	<p>The Act provided approximately \$2.5 billion in total farm disaster payments for losses associated with the Midwest flood of 1993, and other agricultural disasters. Of this amount, the Act provided a specific appropriation of \$1.050 billion immediately, another \$300 million in contingent appropriations, and allowed the CCC to borrow as much as necessary to fully fund the payment formula (which later amounted to approximately \$1.1 billion in additional borrowing.)</p> <p>Also provided: \$30 million for the Emergency Conservation Program and \$35 million for Watershed and Flood Prevention Operations.</p>
Emergency Supplemental Appropriations Act of 1994 (P.L. 103-211, February 12, 1994)	<p>Enacted in response to the major California earthquake in Jan. 1993, the Act allowed the CCC to use its borrowing authority to fund the Tree Assistance Program for any 1993 crop year disaster. CCC spending for 1993 TAP-eligible losses was \$9.2 million. The Act also allowed nursery crops to be included in 1993 crop loss payments under P.L. 103-75 above.</p>
Agricultural, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1995 (P.L. 103-330, September 30, 1994)	<p>The regular FY1995 appropriations act for agriculture required the CCC to provide such sums as may be necessary on an emergency basis to fully fund the disaster payment formula in the 1990 farm bill for 1994 crop losses, including aquaculture but excluding ornamental fish. It also provided payments for subsequent 1995 and 1996 orchard losses caused by a 1994 freeze. CCC outlays for 1994 crop losses amounted to \$606 million.</p>
Omnibus Consolidated Rescissions and Appropriations Act of 1996 (P.L. 104-134, April 26, 1996)	<p>In response to Hurricane Bertha and other disasters, the Act provided \$143 million for various USDA programs, including:</p> <ul style="list-style-type: none"> ● \$80.514 million for Watershed and Flood Prevention Operations, ● \$30 million for the Emergency Conservation Program; ● \$32.244 million in loan subsidy to support \$110 million in additional farm emergency disaster loans.
Omnibus Consolidated Appropriations Act, 1997 (P.L. 104-208, September 30, 1996)	<p>In response to Hurricanes Fran and Hortense and other disasters, the P.L. 104-208 provided \$88 million for USDA flood assistance programs, including:</p> <ul style="list-style-type: none"> ● \$63 million for Watershed and Flood Prevention Operations, and ● \$25 million for the Emergency Conservation Program.

Act	Major Agricultural Provisions
<p>1997 Emergency Supplemental Appropriations Act for Recovery from Natural Disasters, and for Overseas Peace-keeping Efforts, Including Those in Bosnia</p> <p>(P.L. 105-18, June 12, 1997)</p>	<p>The Act made available \$313 million in emergency farm assistance including,</p> <ul style="list-style-type: none"> ● \$166 million for Watershed and Flood Prevention Operations; ● \$70 million for the Emergency Conservation Program; ● \$50 million for the Livestock Indemnity Program, (which pays farmers a certain amount for each head of cattle lost to a disaster); ● \$18 million in loan subsidy to support \$70 million in additional USDA emergency disaster loans; ● \$9 million for the Tree Assistance Program. <p>For more information, see CRS Report 97-600, <i>Food and Agriculture Provisions in the FY1997 Supplemental Appropriations Act</i>.</p>
<p>1998 Supplemental Appropriations and Rescissions Act</p> <p>(P.L. 105-174, May 1, 1998)</p>	<p>In response to El Nino-driven storms and other natural disasters, the Act provided a total of \$159.8 million in emergency farm spending, including:</p> <ul style="list-style-type: none"> ● \$80 million for the Watershed and Flood Prevention Program;\$34 million for the Emergency Conservation Program; ● \$14 million for the Tree Assistance Program; \$21 million in loan subsidy to support \$87.4 million in additional emergency disaster loans; ● \$4 million for the Livestock Indemnity Program; and \$6.8 million for dairy farmer disaster payments. <p>For more information, see CRS Report 98-478, <i>Agricultural Provisions in the FY1998 Emergency Supplemental Appropriations Act (P.L. 105-174)</i>.</p>

Act	Major Agricultural Provisions
<p>Omnibus Appropriations Act of 1999</p> <p>(P.L. 105-277, October 21, 1998)</p>	<p>Provided a total of \$5.893 billion in emergency supplemental appropriations to USDA, primarily for assistance to farmers for natural disasters and low farm commodity prices, including:</p> <ul style="list-style-type: none"> ● \$3.057 billion in “market loss payments” made to grain, cotton and dairy farmers in response to low farm commodity prices; ● \$1.3 billion in farm disaster payments for 1998 crop losses; ● \$575 million in disaster payments for multi-year crop losses; ● \$400 million in premium discounts for growers of a 1999 crop who purchase crop insurance coverage; ● \$200 million for livestock feed assistance (for livestock farmers who lost on farm feed to a disaster); ● \$50 million in Alaska salmon assistance; ● \$40 million for USDA Farm Service Agency salaries to administer various farm assistance programs; ● \$31.4 million in loan subsidy to support a variety of existing direct and guaranteed farm loan programs; ● \$27 million for recourse loans to mohair growers; ● \$25 million for Food for Progress, an overseas food aid program; ● \$1 million for honey recourse loans. <p>For more information, see CRS Report 98-952, <i>The Emergency Agricultural Provisions in the FY1999 Omnibus Appropriations Act</i>.</p>
<p>1999 Emergency Supplemental Appropriations Act</p> <p>(P.L. 106-31, May 21, 1999)</p>	<p>Provided nearly \$723 million in emergency assistance for USDA programs, including:</p> <ul style="list-style-type: none"> ● \$149.2 million in emergency food assistance to the Balkans through the P.L. 480 program; ● \$145 million for USDA’s Section 32 program, to help stabilize farm prices; ● \$105.6 million in loan subsidy to support additional loans of \$1.095 billion for various USDA farm loan programs; ● \$95 million for Watershed and Flood Prevention; ● \$70 million for the Livestock Assistance Program, to reimburse farmers for the loss of on-farm feed to a disaster; ● \$42.75 million in salaries and expenses of USDA’s Farm Service Agency, for administering emergency programs; ● \$32 million for various rural development programs in response to a hurricane in Puerto Rico; ● \$28 million for the Emergency Conservation Program; ● \$28 million for Conservation Reserve Program technical assistance; ● \$20 million for migrant and seasonal farmworker assistance; ● \$3 million for livestock indemnity payments.

Act	Major Agricultural Provisions
<p>Agricultural, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, FY2000</p> <p>(P.L. 106-78, October 22, 1999)</p>	<p>Provided \$8.7 billion in FY2000 emergency funding for USDA programs in response to low farm commodity prices and various natural disasters, including:</p> <ul style="list-style-type: none"> ● \$6.5 billion in “market loss” payments to compensate growers of specific farm commodities for low market prices including \$5.5 billion to grains and cotton; \$470 million to oilseeds; \$328 million to tobacco; \$125 million for dairy; and \$42 million for peanuts; ● \$1.2 billion in disaster payments for 1999 crop losses; ● \$400 million in premium discounts for producers purchasing crop insurance for a 2000 year crop (and additional administrative costs of \$250 million); ● \$200 million in livestock feed assistance; ● an estimated \$201 million for the cotton Step-2 export competitiveness program; ● one-year extension of the dairy price support program; ● temporary authority for honey and mohair recourse loans (no additional costs expected). <p>For more information, see CRS Report RS20416, “<i>Emergency Farm Assistance in FY2000 Appropriation Acts.</i>”</p>
<p>Consolidated Appropriations Act for FY2000</p> <p>(P.L. 106-113, November 29, 1999)</p>	<p>Provided \$577 million to supplement several emergency programs initially funded by P.L. 106-78 (see above), for relief from Hurricane Floyd in North Carolina, and for other purposes, including:</p> <ul style="list-style-type: none"> ● \$186 million in additional farm disaster payments; ● \$178.6 million to support \$2.5 billion in additional USDA farm loan programs; ● \$80 million for the Watershed and Flood Prevention Program; ● \$50 million for the Emergency Conservation Program; ● \$25.6 million in rural housing loan and grant funds; ● \$22 million in miscellaneous disaster assistance for Oregon (flood) and Florida (citrus canker); ● \$20 million for the Noninsured Assistance Program; ● \$10 million in additional livestock feed assistance; ● \$2.8 million in additional tobacco assistance; <p>For more information, see CRS Report RS20416, “<i>Emergency Farm Assistance in FY2000 Appropriation Acts</i>”</p>
<p>Grand Total</p> <p>FY1989-FY2000 (to date)</p>	<p>Between August 1988 and December 1999, various appropriation and farm disaster acts provided a total of nearly \$27 billion in emergency funding for USDA programs. This total includes \$14 billion in payments following a natural disaster (FY1989-2000), and \$9.6 billion in market loss payments to help farmers recover from low farm commodity prices (FY1999-FY2000). Not included in the \$27 billion is \$1.1 billion in emergency livestock feed assistance provided from FY1989 until FY1996 under the ongoing authority of the Disaster Assistance Act of 1988.</p>